

## SUPPORT FOR DISBURSEMENTS OF CONFIDENTIAL FUNDS

1. Chiefs of Stations and other designated Approving Officers must assume a most serious and effectual responsibility for the control of disbursements in a unique organization such as ours. In financing operations in a manner to insure optimum security, we cannot implement the controls, checks, and balances available to other United States Government Agencies and commercial organizations. Bids, contracts, payments by check, independent verification of obligations and payments are examples of the funds control facilities that we cannot always implement.

2. Accordingly, all Chiefs of Stations and other designated Approving Officers are charged with personal responsibility to effect necessary systems and controls to assure that funds reported as expended are in fact expended and for the purposes intended, and that every possible control device is used to protect our employees and the organization in the handling and accounting for funds disbursed. For many operational payments, we must depend upon the integrity of the individuals and internal control by verification by <sup>one</sup> knowledgeable officer of the activities of another. Though receipts in support of disbursements <sup>are</sup> an essential element of control, receipts in themselves cannot be considered as the final and conclusive proof of payment. On the other hand, a system of control for mandatory application world-wide cannot be prescribed because of the varying situations wherein funds are passed beyond organization control. The following actions are suggested as means to control disbursements to the extent that they are operationally feasible and appropriate to individual circumstances:

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a. To assure maximum accuracy in accounting for special operational disbursements such as subsidies or other payments to persons or organizations in circumstances wherein the Agency does not exercise direct control over use of funds the principles for control of funds indicated in the following will be observed, except in those cases wherein the chief of the responsible division or staff certifies that such procedure is not operationally feasible or may not be followed for security reasons:

(1) Receipts to be executed by the non-agency person receiving funds shall be prepared in duplicate by the Finance Officer or other official agency custodian of funds.

(2) The receipt shall be printed or typed in such form, and language as is consistent with cover of the operation on bank stock, heavy white bond or <sup>such</sup> other suitable paper as will make changes or alterations after preparation difficult and obvious.

(3) An identifying number or mark shall be placed on both the original and duplicate of the receipt. The duplicate shall be retained by the finance officer or other official custodian for comparison with and authentication of the original upon its return after execution.

(4) The Agency representative delivering the funds shall obtain acknowledgment of receipt of the funds from the non-agency recipient by appropriate signature in ink. The executed receipt shall be returned to the Finance Officer or other official custodian of funds as soon as possible.

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b. Specifically examine the nature and amount of undocumented disbursements to determine that they are consistent with the known requirements of the operation.

c. Arranging for the transfer of funds to be accomplished in the presence of a witness who will furnish a certification that the funds were passed.

d. Take steps to assure that the ultimate recipient of funds is advised by a source other than the person who is to transfer funds of the amount to be received.

e. Utilize operational contacts and sources independent of the person transferring funds to establish the amount of funds transferred.

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